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Utah State University
Academic Freedom and Tenure (AFT) Committee

Minutes for meeting held 20 April 2016

In attendance (in person or via dial-in): Kathy Chudoba, Kurt Becker, Sterling Banks, Anthony Lott, John Stevens, Michael Lyons

Minutes from 02/24/16 meeting approved

Old Business

- Update on requiring reasons for non-renewal (407.6.4) – after meeting with reps from President's / Provost's offices
 - John met with Larry Smith, who offered two suggestions:
 - Consider waiting until a new president is hired to move on this
 - Consider adding brief language instead to sections of code that specifically allow a faculty member to request a meeting with dean / provost to discuss promotion / non-renewal / denial-of-tenure decisions. That may be the most natural place for such discussion.
 - Larry also suggested that, with respect to AFT's proposed definition of "arbitrary or capricious", it might be worthwhile to also include in the Guidelines document a clarification that this definition is only intended to help focus internal discussion during the grievance process, and is not for legal actions outside the grievance process.

New business

- Preliminary discussion on academic freedom in positions supported by private third parties – background by Arthur Caplan [Faculty code charges AFT to "review, for consideration by the Senate, all matters pertaining to faculty rights, academic freedom, and tenure" (402.12.3.1(d)).]
 - As part of his PRPC duties, Arthur became aware of some concerns about the Koch agreements to create tenure-track faculty lines, including the following questions:
 - Were faculty search committees involved in the hiring process? (404.3 requires this)
 - How were the positions themselves approved? (Can only a Dean do this, or was the Provost involved? See 404.3.2 and 404.3.9)
 - What role does the funding entity have in the hiring and annual renewal processes? (Do they exercise any kind of veto power? What academic freedom protections are in place for the hired faculty?)
 - What happens to the hired (and eventually tenured) faculty when the funding agreement expires?

- AFT will continue to look at these issues (see attached documents provided by Arthur), with the following focus:
 - Is the hiring process conducted in accordance with faculty code?
 - Are all elements of the funding agreement (including how it was approved) in accordance with faculty code?
 - Do such “grant” agreements go through the Vice President for Research? (See 528.3 and 583.4.6.)
- Rather than trying to affect any currently-signed agreements, it may be more useful to make administrators (and faculty senators) aware of relevant issues for future agreements to create and/or fill positions funded by private entities.
- After discussion (within AFT, but also with reps from Provosts office), AFT can take a report back to Faculty Senate Exec Committee and the Faculty Senate.
- Elect new chair & vice chair for next year
 - Chair candidate: Michael Lyons elected
 - Vice Chair candidate: Sandra Weingart elected

2008 Agreement

AGREEMENT

THIS AGREEMENT (this "Agreement") is made effective as of this 14th day of August, 2008 by and between CHARLES G. KOCH CHARITABLE FOUNDATION, a Kansas nonprofit corporation (hereinafter "CGK Foundation"), UTAH STATE UNIVERSITY, a duly chartered active Utah not for profit corporation (hereinafter "USU"), by and through its Jon M. Huntsman School of Business, and the UTAH STATE UNIVERSITY FOUNDATION, a direct support organization of Utah State University and a Utah nonprofit corporation (hereinafter "USU Foundation"). CGK Foundation, USU and USU Foundation are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. CGK Foundation is a private foundation that is exempt from Federal income taxation under section 501(c)(3) of the Internal Revenue Code (the "Code"). USU is a higher education institution and part of the state university system of the State of Utah, that is exempt from Federal income taxation under section 501(c)(3) of the Code. USU Foundation is a direct support organization for USU that is exempt from Federal income taxation under sections 501(c)(3) and 170(b)(1)(A)(iv) of the Code. The USU Foundation is under the provision of Utah Code, Title 16, Chapter 6a.

B. The Parties desire to enter into this Agreement to set forth their understanding with respect to promoting sound business and economic education by augmenting funding for five professors (the "Professors") in the Jon M. Huntsman School of Business (the "Huntsman School") at USU.

C. This Agreement sets forth the intent, structure, recruitment and funding procedures to support the Professors, and to clarify the relationship between CGK Foundation, USU, USU Foundation, USU faculty and the relevant departments of USU as it relates to the Professors.

TERMS OF AGREEMENT

The funds provided by CGK Foundation pursuant to this Agreement are subject to the following terms and conditions.

1. Objectives and Purposes.

(a) The purpose of the support for the Professors is to advance the understanding and practice of those free voluntary processes and principles that promote social progress, human well-being, individual freedom, opportunity and prosperity based on the rule of law, constitutional government, private property and the laws, regulations, organizations, institutions and social norms upon which they rely. These goals will be pursued by supplementing the academic talent currently at USU to create a strong program that will focus on building upon and expanding research and teaching efforts related to individual freedom, social

progress and human well-being. The Parties seek to strengthen the foundation that exists at USU and extend efforts related to the research, publication, education, dissemination and continued academic and public appreciation of individual freedom, social progress and human well-being (collectively, the "Objectives and Purposes").

(b) The Parties acknowledge that effective achievement of the Objectives and Purposes requires a concentration of complementary and cooperative talents and skills. Accordingly, in furtherance of the Objectives and Purposes, USU will make every reasonable effort to recruit and maintain individuals to be the Professors who support and have demonstrated advancement of, or show the promise of working effectively in collaborative efforts to advance, the Objectives and Purposes. The Parties expect that the research of the Professors will compliment, inform and build upon USU's existing strengths in business, finance, economics, institutions and property rights as they relate to and inform the foundations of prosperity, social progress and human well-being. Nothing contained herein shall be construed to restrict the academic freedom of USU or its faculty with respect to the activities of USU.

2. Funding Amount and Commitment by USU.

(a) Funding Amount. Subject to the terms and conditions of this Agreement, CGK Foundation agrees to provide or cause to be provided a yearly funding amount not to exceed Twenty-Five Thousand Dollars (\$25,000) for each of the Professors, payable to USU Foundation on behalf of USU on an annual basis for a period of five years (for a total amount not to exceed of \$125,000 per Professor and \$625,000 for all Professors, the "Funding Amount"), and to be used solely to provide supplemental funding to support the salaries, benefits and related costs associated with the Professors. USU Foundation will hold the Funding Amount in trust and for the benefit of USU, and agrees that the Funding Amount (together with any income earned upon investment of the Funding Amount) is to be used solely for the purposes set forth in and in accordance with this Agreement and may not be expended for any other purpose without CGK Foundation's prior written approval.

(b) Additional Funding. The Funding Amount is a one-time obligation to be used for the purposes set forth in Section 2(a) above. CGK Foundation is not obligated to provide additional funding. In CGK Foundation's sole discretion, it may agree to provide additional funding if CGK Foundation determines such funds are appropriate to advance the Objectives and Purposes.

(c) USU Commitment. USU will fulfill its obligations set forth in this Agreement, including those described below. USU will recruit five faculty members with tenure or on tenure track lines to be the Professors to consist of one senior professor and four junior professors as described in Section 3.

(i) In the event any individual selected as a Professor ceases to serve in that position for any reason, CGK Foundation may at such time discontinue all obligations to pay the Funding Amount associated with this Professor. Thereafter, CGK Foundation may agree in its

sole discretion to resume payment of the Funding Amount associated with this Professor position if USU and CGK Foundation agree on a suitable replacement candidate in accordance with Section 3.

(ii) Each of the Professors will receive salary and benefits from USU's existing salary pool ("base funding"), plus a salary supplement funded under this Agreement. When CGK Foundation's funding obligations cease under this Agreement, whether by expiry of the 5-year period or as set forth elsewhere in the Agreement, USU agrees to continue the base funding for the salaries and benefits of the Professors, exclusive of the Funding Amount.

(iii) USU agrees to recruit and maintain the Professors in accordance with the Objectives and Purposes.

(e) CGK Foundation reserves the right to terminate any payments owed of the Funding Amount (to be applied in accordance with Section 7) as set forth in Section 9.

3. The Professors.

(a) Description. The Parties intend to support the hiring of the five Professors as set forth below.

(i) *Koch Professor.* One of the Professors will be a senior professor and known as the "Koch Professor." The Koch Professor will begin with the rank of full professor and will be fully tenured. The Funding Amount will augment USU's funding for the Koch Professor.

(ii) *Faculty Junior Professors.* The four other Professors will begin, at a minimum, with the rank of assistant professor. These are tenure-track positions, and it is expected that these individuals will show promise of earning tenure at USU in the normal timeframe. The Funding Amount will augment USU's funding for these other Professors.

USU agrees to recruit Professors who support the Objectives and Purposes and have demonstrated advancement of, or show the promise of working effectively in collaborative efforts to advance, the Objectives and Purposes. The Parties expect that the Professors' research will compliment, inform and build upon USU's existing strengths in business, finance, economics, institutions and property rights as they relate to and inform the foundations of prosperity, social progress and human well-being. Notwithstanding other qualifications, an individual who is a "disqualified person" as to CGK Foundation, as that term is defined under Section 4946(a)(1) of the Code, is not eligible to be a Professor, without CGK Foundation's prior written consent.

(b) The Professors will be recruited and hired in a manner consistent with both the USU Faculty Handbook and CGK Foundation's intent to support the Objectives and Purposes.

(c) Selection Process. The selection of the Professors will be made in accordance with the following procedures:

- (i) All searches for the Professors shall be conducted in accordance with USU established procedures for selecting faculty of similar positions.
- (ii) The candidates for Professors will be subject to the same rigorous standards and procedures as are required for similar positions at USU as outlined in the USU Faculty Handbook.
- (iii) Employment offers to individuals for the Professors will be made through appropriate USU procedures with the approval of the Jon M. Huntsman School of Business Dean, department chair, and USU provost.
- (iv) CGK Foundation will not be obligated to pay any of the Funding Amount with respect to a candidate for a Professor position that has not been approved by CGK Foundation. In the event that USU and CGK Foundation fail to agree on a candidate for a Professor position, CGK Foundation may in its sole discretion cease all obligations under this Agreement or any other agreement between the parties regarding such Professor position. For the avoidance of doubt, nothing herein will restrict USU's ability to hire any individual. Rather, in order to receive or use any of the Funding Amount and for an individual to fill a Professor position, USU's compliance with the terms of this Agreement is required, including CGK Foundation's approval of such individual.
- (v) The selection and funding process outlined above for each Professor will apply for a term of five years ("Term") from the date that the Professor is first hired. In the event a Professor position becomes vacant for any reason during the Term, a new candidate will be selected for the vacant position in accordance with the procedures set forth in this Agreement. Continued funding for the vacant Professor position will be at the discretion of CGK Foundation as described in section 3(c)(iv) above. At the end of the Term, USU may implement a different selection process.

4. **Tax-Exempt Status.** USU Foundation confirms that it is the nonprofit corporation designated by USU to receive and administer charitable gifts. By letter from the Internal Revenue Service ("IRS") dated May 21, 2008, USU Foundation has been determined to be a tax-exempt organization under section 501(c)(3) of the Code, and USU Foundation is

further classified as conforming to sections 509(a)(1) and 170(b)(1)(A)(iv). USU confirms that it is an organization that is currently recognized by the IRS as a public charity under sections 501(c)(3) and 509(a)(1),(2) or (3) of the Code. USU and USU Foundation further agree to inform CGK Foundation immediately of any change in, or IRS proposed or actual revocation (whether or not appealed) of, its tax-exempt status described above.

5. **Tenure.** USU agrees that the Professors will have the same rights as all other USU faculty members, as set forth in the USU Faculty Handbook.

6. **Financial Details and Payment Schedule.** Financial details regarding dollar amounts for each Professor will be clarified by future agreement not to exceed amounts agreed to by USU and CGK Foundation herein, as outlined below.

Payment schedule for yearly amounts and dates upon which funds will be released for the following year will be specified in future agreements between USU and CGK Foundation. Pending satisfactory progress toward the goals of this Agreement, USU is encouraged to seek additional funding beyond the initial term of this Agreement to support continued efforts to advance the Objectives and Purposes. Approval of such additional funding will be at the sole discretion of CGK Foundation.

7. **Proposed Budget**

Faculty Lines

Koch Professor	not to exceed \$125,000	over 5 years (start Fall 2008)
Professor 2	not to exceed \$125,000	over 5 years (start Fall 2009)
Professor 3	not to exceed \$125,000	over 5 years (start Fall 2009)
Professor 4	not to exceed \$125,000	over 5 years (start Fall 2009)
Professor 5	not to exceed \$125,000	over 5 years (start Fall 2009)
Total Funding Amount	not to exceed \$625,000	

8. **Expenditure Limitation of Funding Amount.** The Funding Amount (together with any income earned upon investment of the Funding Amount) is to be used solely for the purposes set forth in this Agreement and may not be expended for any other purpose without CGK Foundation's prior written approval. Any portion of the Funding Amount unexpended two years after the date of payment will be returned immediately to CGK Foundation. USU agrees not to expend the Funding Amount for any political or lobbying activity or any other purpose that would violate its tax exempt status. The parties accept responsibility for complying with this Agreement's terms and conditions.

9. **Right to Modify or Revoke.** CGK Foundation reserves the right to discontinue or withhold any Funding Amount to be paid under this Agreement if, in CGK Foundation's reasonable discretion, (a) USU has not fully complied with the terms and conditions of this Agreement; (b) the Professors are not advancing the Purposes and Objectives; or (c) such action is necessary to comply with any law or regulation applicable to USU or to CGK Foundation.

10. **Reporting.**

(a) USU will retain or cause to be retained a record of all receipts and expenditures relating to the Funding Amount and will provide CGK Foundation with such written reports and other information reasonably requested by CGK Foundation as necessary to describe the progress of the Professors and an accounting of the Funding Amount. Additionally, USU will cause CGK Foundation and its representatives to have reasonable access during regular business hours to files, reports, accounts, or personnel that are associated with this Agreement, the Professors and the Funding Amount.

11. **Publicity:** USU will allow CGK Foundation to review and approve the text of any proposed publicity that includes mention of CGK Foundation or the Funding Amount. USU agrees to allow CGK Foundation to include information regarding the Professors, the Funding Amount, and any information or materials about USU and its activities in CGK Foundation's reports, newsletters and news releases.

12. **Required Notification.** USU and USU Foundation agree to provide CGK Foundation with immediate written notification of (a) any changes in USU's or USU Foundation's tax-exempt status; (b) USU's inability to expend the Funding Amount for the Objectives and Purposes; or (c) any expenditure from the Funding Amount made for any purpose other than those set forth in this Agreement.

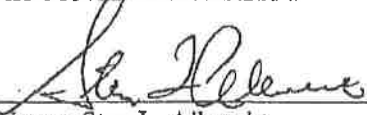
13. **Confidentiality.** Subject to the terms of the Kansas Open Records Act, USU will not use, disseminate or any way disclose confidential information obtained by or provided to USU by CGK Foundation or a "disqualified person" as that term is defined under Section 4946(a)(1) of the Code. For purposes of this Section, confidential information will include all information reasonably considered by the Parties to be confidential to one another including but not limited to financial strategies, correspondence, minutes, foundation documents and other similar information, subject to disclosure requirements of public Universities under Utah law. This is not to be construed to limit the academic freedom of the faculty to conduct their research and publish their findings, provided such research and findings do not incorporate or use any confidential information of CGK Foundation. Notwithstanding the above, confidential information will not include such information as CGK Foundation is required to make available for public inspection including a copy of its annual returns (Forms 990), its exemption application (Form 1023) and any documents issued by the Internal Revenue Service concerning the application.

14. **Miscellaneous.** USU may not transfer its interest in this Agreement or the Funding Amount without CGK Foundation's prior written consent. Any attempt by USU to transfer or assign this Agreement or the Funding Amount other than pursuant to this Agreement will cause this Agreement to terminate immediately. The Agreement will be interpreted consistent with the requirements of sections 501(c)(3) or 170(c) of the Code imposed on CGK Foundation.

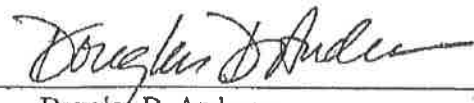
Signature Page Follows

The foregoing provisions of this Agreement have been mutually agreed upon by all parties concerned as evidenced by the signatories affixed hereto.

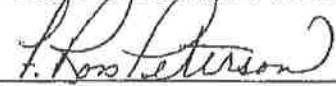
UTAH STATE UNIVERSITY

By: 
Name: Stan L. Albrecht
Title: President


UTAH STATE UNIVERSITY
JON M. HUNTSMAN SCHOOL OF BUSINESS

By: 
Name: Douglas D. Anderson
Title: Dean - Huntsman School of Business

UTAH STATE UNIVERSITY FOUNDATION

By: 
Name: F. Ross Peterson
Title: Vice President - University Advancement

CHARLES G. KOCH CHARITABLE
FOUNDATION

By: 
Name: Richard H. Fink
Title: President

2015 Agreement

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on April 13, 2015, (the "Effective Date") between Utah State University (the "University"), an instrumentality of the state of Utah, for the benefit of the Institute of Political Economy (the "Institute") in the Jon M. Huntsman School of Business (the "School"), and the Charles Koch Foundation, a Kansas nonprofit corporation (the "Donor"). The term of this Agreement shall begin on the Effective Date and shall continue for ten years (the "Term"), unless earlier terminated pursuant to the terms and conditions of this Agreement. The University and the Donor are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties." The Parties agree as follows:

1. Promoting Academic Freedom. Consistent with the Donor's principles of supporting a diversity of ideas in higher education, the Donor's grant is intended to help promote a republic of science at the University, where ideas can be exchanged freely and useful knowledge will benefit the well-being of individuals and society. Thus, the Parties agree that the academic freedom of the University, the Institute, and their faculty, students, and staff is critical to the success of the Institute's research, scholarship, teaching, and service.

2. The Institute. The University desires to support the Institute in the School to advance the University's educational mission as follows:

a. The Institute's Mission. As stated in the proposal, which is hereby incorporated into this Agreement, and attached as Attachment A (the "Proposal"), the University has informed the Donor, and the Donor is relying on such representation, that the Institute's mission is to support professors whose research examines the foundations of a free society and to mentor students and engage them in research and writing projects. This mentoring and engagement creates opportunities for students in graduate programs, internships, policy groups, and business (the "Institute's Mission"). The Parties believe that the mission of the Institute is a core component of this Agreement; therefore if the Institute Mission changes or if the Institute's activities do not advance the mission as stated in this agreement, the Donor has the right to terminate this Agreement in its sole and absolute discretion.

b. The Institute Programs. To support the Institute's Mission, the University desires to create the following positions and activities at the Institute, collectively referred to as the "Institute Programs." The Institute Programs are described in the Proposal and include two "Tenure-Track Professorships" and "General Support." The University shall use any funds received under this Agreement to support the Institute Programs in accordance with the terms of this Agreement.

3. The University's Commitment to and Support for the Institute.

a. Generally. The University shall support the Institute Programs to advance the University's mission during the Term of this Agreement.

b. Tenure-Track Professorships. The University shall hire two tenure-track professors in the School.

c. Institute Office Space. A dedicated portion of this grant supplements other private support for a capital campaign to renovate the existing George S. Eccles Business Building and to construct a new facility, Huntsman Hall. The University supports the mission of the Institute and the need for appropriate space to conduct the Institute's programs and activities and has provided the Institute with dedicated office space and use of common space within the basement of the George S. Eccles Building. Upon completion of the detailed planning of the School's building complex, the University will continue to provide the Institute with a minimum of 2,200 square feet of space, including student meeting rooms, open collaborative space, and dedicated office space, during the Term of this Agreement.

4. The Donor's Support for the Institute Programs.

a. Contributed Amount. Subject to the grant award process and schedule in Section 5 and in accordance with the terms of this Agreement, the Donor agrees to contribute funds to the University and the University agrees to accept and use such funds exclusively to support the Institute Programs to advance the Institute's Mission (all or part of such funds are referred to as the "Contributed Amount(s)"). In no event shall the aggregate Contributed Amount under this Agreement exceed \$1,540,000 as follows:

Institute Programs and Support for the School	Amount
Salary and fringe benefits for two Tenure-Track Professorships	Up to \$ 540,000
Costs and expenses for General Support for the School's new building, Huntsman Hall	Up to \$1,000,000

Total Maximum Aggregate Contributed Amount: \$1,540,000

b. Other Support. If the University and Donor mutually agree, the Donor may also contribute in-kind services to the University to help promote the work of the University, the Institute or the University faculty, students, and staff.

5. University Grant Request; Proposed Grant Award Process and Schedule.

a. The University Grant Request. The University shall submit an annual written proposal according to the schedule below to the Donor for the Donor's consideration (the "University Grant Request") and an accounting of the expenditure of any Contributed Amount previously received. If the Donor approves the University Grant Request, the Donor shall make a contribution up to the amount listed in the below schedule to the University, and the University agrees to accept such Contributed Amount as stated in the below schedule. If the Donor, in its sole and absolute discretion, does not approve the University Grant Request, the Donor shall, notwithstanding any other provision in this Agreement to the contrary, be under no obligation to contribute any funds to the University.

b. University Grant Request and Proposed Grant Award Schedule

University Grant Request Date	Donor Response and Proposed Contribution Date	Contributed Amount
Submitted upon the signing of this Agreement	Within sixty (60) days of the Parties signing this Agreement	\$1,000,000
June 1, 2015	On or about August 1, 2015	Up to \$ 135,000
June 1, 2016	On or about August 1, 2016	Up to \$ 270,000
June 1, 2017	On or about August 1, 2017	Up to \$ 135,000

c. The Fund. The University shall place all of the Contributed Amount in a segregated and restricted fund on its books and records called the "IPE Programs Fund" (the "Fund"). The Fund shall be used solely to support the Institute Programs as stated in this Agreement. The University shall make the Fund available for contributions from other donors. If another donor makes a contribution to the Fund, the University shall promptly notify the Donor of the amount donated and, if permitted by the other donor, the name of the other donor.

6. Contributed Amount Used Only for Educational Purposes for the Institute Programs.

a. Tax Status. According to IRS records, the University is qualified as Internal Revenue Code ("Code") section 501(c)(3) organization and is classified as a public charity pursuant to Code section 509(a)(1). The University agrees to immediately notify the Donor if its tax status changes.

b. Educational Purpose. The Contributed Amount will be expended only for the Institute Programs, which is an educational purpose described in section 170(c)(2)(B) of the Code. The Contributed Amount will not be used to influence legislation, to influence the outcome of any election, for a political campaign or intervention, to carry on any voter registration drive, or any other purpose that would jeopardize the Donor's tax-exempt status or subject the Donor to penalties under Chapter 42 of the Code.

c. Institute Programs. The University shall use all Contributed Amounts solely to support the Institute Programs as stated in this Agreement and shall return to the Donor any Contributed Amount not expended for the Institute Programs.

7. Publicity. Except as provided for in Section 7, the Parties shall consult with each other and mutually agree prior to issuing the initial public announcement of this Agreement. To this end, the Parties have agreed to the contents of the "Executive Summary," attached as Attachment B, which the Parties may agree to use as the initial public announcement of this Agreement. The Parties shall consult with each other and mutually agree prior to issuing publicly the Executive Summary. The Parties shall not use each other's logos without the applicable Party's express written consent.

8. General Provisions.

a. The Donor has the right in its sole and absolute discretion to terminate this Agreement or discontinue or withhold any Contributed Amount if: (i) the University has not fully complied with any provision set forth in this Agreement; (ii) the Institute Programs are not advancing the Institute's Mission as stated in this Agreement; or (iii) such action is necessary to comply with any law applicable to the University or the Donor. Such termination shall be deemed effective upon the expiration of thirty (30) days from the date notice was provided by the Donor to the University. In the event of termination of the Agreement, the University agrees to return all unexpended Contributed Amounts to the Donor within fifteen (15) days of the Donor's request. The University represents and warrants that it is not relying on the Donor's proposed funding under this Agreement to incur any obligation or take any action or inaction.

b. The University agrees to keep confidential and not to disclose to any third party the existence of or contents of this Agreement without express written approval from the Donor, except as otherwise may be required by law. If the University is required to disclose the existence of or the content of this Agreement to any third party, the University agrees to provide the Donor with at least ten (10) days' advance written notice of such disclosure.

c. The terms contained in this Agreement supersede all prior oral or written agreements and understandings between the Parties related to the matters contained in this Agreement and shall constitute the entire agreement between the Parties with respect to the matters contained in this Agreement.

applies solely to the creation & funding of the Inst. Prog.

d. In the event of a conflict between the provisions stated in the body of this Agreement and those stated in the Proposal, this Agreement shall control.

e. This Agreement shall not be modified or amended except by a writing duly executed by the Parties to this Agreement.

f. The provisions of this Agreement are deemed severable and should any part, term, or provision of this Agreement be construed by any court of competent jurisdiction to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining parts, terms, and provisions will not be affected thereby.

g. No delay or failure on any Party's part to enforce any right or claim which it may have hereunder shall constitute a waiver of such right or claim. Any waiver by any Party of any term, provision, or condition of this Agreement, or of any subsequent default under this Agreement in any one or more instances shall not be deemed to be a further or continuing waiver of such term, provision, or condition or of any subsequent default hereunder.

h. This Agreement shall not confer any rights or remedies upon any third party other than the Parties to this Agreement and their respective successors and permitted assigns.

i. The University may not transfer or assign their respective interests in the Agreement or any amount to be contributed pursuant to this Agreement without the express written consent of the Donor.

j. This Agreement will be governed, interpreted, and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to conflict of law provisions. The Parties agree that any action or proceeding filed relating to this Agreement will be commenced and maintained exclusively in the state courts located in Arlington County, Virginia, or the federal courts located in the Eastern District of Virginia. Each of the Parties hereby expressly consents to the exclusive personal jurisdiction of such courts for any such action or proceeding.

k. All notices, approvals, or requests in connection with this Agreement shall be in writing and shall be deemed given when delivered personally by hand or one business day after the day sent by overnight courier (in each case with written confirmation of receipt or transmission, as the case may be) at the following address (or to such other address as a Party may have specified by notice to the other Party pursuant to this provision):

If to the University:
The Jon M. Huntsman School of Business
Utah State University
3500 Old Main Hill
Logan, UT 84322-3500
Attn: Associate Dean for Student & External Affairs

If to the Donor:
Charles Koch Foundation
1515 N. Courthouse Road, Suite 200
Arlington, VA 22201
Attn: Grant Administrator
Cc: General Counsel's Office

l. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic transmission) to this Agreement shall be deemed to be originals and may be relied upon to the same extent as the originals.

[Signature Page Follows]

Authorized representatives of the Parties have hereby executed this Agreement as dated below, but the Parties agree that this Agreement is effective as of the Effective Date.

UTAH STATE UNIVERSITY

By: Douglas D. Anderson

Name: Douglas D. Anderson

Title: Dean & Professor

Date: 4/13/15

CHARLES KOCH FOUNDATION

By: Brian Hooks

Name: BRIAN HOOKS

Title: PRESIDENT

Date: 4/27/15



ATTACHMENT A

Utah State University Proposal to Support the Utah State University Institute of Political Economy in the Jon M. Huntsman School of Business

Preamble

Utah State University's Jon M. Huntsman School of Business seeks to support Utah State University's Institute of Political Economy's (IPE) goal to promote a better understanding of the foundations of a free society by conducting basic research and disseminating findings through publications, classes, seminars, conferences, and lectures.

Mission

IPE's mission is to support professors' research into the foundations of a free society and mentor students and engage them in research and writing projects. This mentoring and engagement creates opportunities for students in graduate programs, internships, policy groups, and business.

Vision

The Institute will:

- Provide educational opportunities including classes, seminars, conferences, lectures, reading groups, and writing competitions.
- Support two tenure-track faculty members to work alongside current IPE scholars in performing research, teaching, and mentoring students.
- Engage the academic, policy, and general population through the dissemination and publication of research.

IPE Positions and Activities

The Activities of the Tenure-Track Professorships

The individuals holding the two Tenure-Track Professorships will devote an appropriate and meaningful amount of their time and resources to work related to IPE. These activities will include academic research, teaching, working with students who are affiliated with IPE and with other students, and participating in IPE's programs such as academic seminars, public lectures, and outreach activities that explain research findings to a general audience.

The Selection of the Tenure-Track Professorships

The University will seek to fill the first Tenure-Track Professorship by the first day of the University's fall 2015 semester, and will seek to fill the second Tenure-Track Professorship no later than the first day of the University's fall 2016 semester.

As a matter of academic freedom for academic units at the University, individuals who will be affiliated with IPE must be approved by IPE's director, and any individual IPE presents to another academic unit as a possible hire or affiliate must be approved by that academic unit pursuant to the University's procedures for selecting people for those units. //?

This is all quite confusing/ambiguous as to which entity holds final authority in the hiring process.

IPE's Research and Teaching Activities

IPE's activities will be supervised by IPE's director. IPE's activities will advance its mission and include selecting faculty and student affiliates, administering research funds for faculty and graduate student affiliates, working collaboratively with other academic units across the University, and disseminating research findings to a general audience.

General Support

The University is building Huntsman Hall, which will connect to the George S. Eccles Business Building, and create a new space in the Huntsman Business School to bring all of the University's students into a common experience and to expand programmatic quality and scope. New classrooms, labs, and office space will more closely resemble those in the business community. The new Huntsman Business School space will be emblematic of the University's vision and values and promote interaction just through its very design. The space will be a place for people to be involved with others, for active learning, for interaction, collaboration, teamwork. The space will be student-centered. Most of all, the University envisions the physical space as one that promotes community.

ATTACHMENT B

GRANT AGREEMENT SUMMARY BETWEEN UTAH STATE UNIVERSITY AND THE CHARLES KOCH FOUNDATION

Utah State University and Charles Koch Foundation have entered into a grant agreement for Charles Koch Foundation to provide support for the University's proposal to support the Institute for Political Economy (IPE) in the Jon M. Huntsman School of Business.

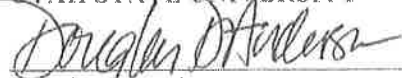
The grant responds to an opportunity presented to Charles Koch Foundation by the University and is intended to help promote a robust discussion of ideas at the University and to advance the University's goals for IPE, which are to promote a better understanding of the foundations of a free society by conducting basic research and disseminating findings through publications, classes, seminars, conferences, and lectures.

Charles Koch Foundation will provide support of up to \$1,540,000 to support the University's plan for IPE. The University expects to attract additional contributions to support IPE and the School. As outlined in the University's proposal, these funds will aid the University's support of IPE and provide funding for two tenure-track professorships affiliated with IPE and enhance the overall community at the School.

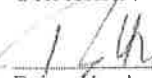
The grant adheres to Utah State University's policies regarding hiring, research, and curriculum and the Charles Koch Foundation's principles for university giving.

Utah State University and the Charles Koch Foundation attest that this is an accurate representation of the grant agreement.

UTAH STATE UNIVERSITY


Douglas D. Anderson
Dean & Professor

CHARLES KOCH FOUNDATION


Brian Hooks
President

*Ann. University is not a signatory to
agreement that creates tenure-track
positions.*

April 13, 2015

Faculty Code

401.2 DEFINITIONS

2.2 Academic Units and Academic Departments Defined

An academic unit is a group of faculty with an identifiable teaching, research, or other academic mission. To be designated an academic unit, the group of faculty must fulfill all of the following criteria: (a) have an identifiable curriculum or formal description in current university catalogs or other publications; (b) have a separate, identifiable budget; (c) be designated an academic unit by decision of the Educational Policies Committee and ratification of the Faculty Senate, and approved by the president, the Board of Trustees and the Board of Regents. An academic department is a group of faculty with an identifiable teaching, research, or other academic mission. To be designated an academic department, the group of faculty must fulfill all of the following criteria: (a) offer or administer a degree, certificate, or some other official credential of the university; (b) have an identifiable curriculum and formal description in current university catalogs or other publications; (c) have a separate identifiable budget; (d) be designated an academic department by decision of the Educational Policies Committee and ratification of the Faculty Senate, and approved by the president, the Board of Trustees and the Board of Regents. All academic departments are academic units. Two academic units are not academic departments. These are the Library and Extension. 401.3 THE TENURED AND TENURE-ELIGIBLE FACULTY 3.1 Description and Eligibility The tenured and tenure-eligible faculty consists of those individuals appointed to carry out the university's scholarly and educational functions and who have been or may be granted permanent status (policy 405.1.2). They receive their appointments within academic units. All faculty in this category either hold tenure or enter the process that may lead to the granting of tenure. Tenured and tenure-eligible faculty appointments shall not be made for less than 0.5 FTE. 3.2 Academic Ranks: Core Faculty Tenure and tenure-eligible faculty members appointed to an academic department are the "core" faculty and hold one of the following ranks: Instructor, Assistant Professor, Associate Professor, or Professor. A description of each follows. (See policy 405.2 for a complete discussion of the criteria for appointment or promotion for these ranks.)

401.8 AUTHORITY OF THE FACULTY

8.1 Policy Statement

(2) Faculty Responsibility for Educational Process. The faculty has primary responsibility for such fundamental areas as curriculum, subject matter, and methods of instruction, and those aspects of student life which relate to the educational process. In those exceptional circumstances when the power of review or final decision of the president is exercised adversely on these matters, it shall be communicated to the faculty. Following such communication, the faculty shall have the opportunity for further consideration and further transmittal of its view to the president.

(3) Faculty Status and Related Matters. Faculty status and related matters, such as appointments, reappointments, nonrenewals of appointments, terminations, dismissals, reductions in status, promotions, and the granting of tenure are primarily a faculty responsibility. The primary responsibility of the faculty for such matters is based upon the fact that its judgment is central to general educational policy. Furthermore, scholars in a particular field or activity have the chief competence for judging the

work of their colleagues; in such competence it is implicit that responsibility exists for both adverse and favorable judgments. Determination in these matters should be first by faculty action through established university procedures, reviewed and approved by the president, followed where necessary, by the approval of the Board of Trustees and/or the Board of Regents.

8.2 Legislative Authority of the Faculty

Subject to the authority of the Board of Regents, the Board of Trustees, and the president, faculty shall legislate on all matters of educational policy, enact such rules and regulations as it deems desirable to promote or enforce such policies, and decide upon curricula and new courses of study. The legislative power will normally be exercised by the Faculty Senate. In all matters except those within the authority of the Faculty Senate, the faculty retains original jurisdiction.

404.1 APPOINTMENT

An appointment is a contractual agreement between a faculty member and the university. The terms and conditions of the appointment are described in this manual, the faculty member's role statement (policies 405.6.1 and 11.1), and salary notification and benefits forms. As an integral part of the appointment, faculty shall be entitled to the full range of benefits and privileges for which they are eligible.

1.1 Policies Respecting Appointments

The university shall take sufficient time to seek, and then to investigate thoroughly, candidates for appointment to assure that only highly qualified personnel are employed, and shall not discriminate against any candidate on the basis of race, color, religion, sex, sexual orientation, national origin, age, veteran status, marital or parental status, or the presence of any sensory, physical or mental disability or handicap. The university shall hire as faculty members only candidates who are committed to carrying out the mission of the university. Faculty positions and administrative positions to be filled by faculty members, when external searches are being conducted, shall be advertised in media most likely to reach qualified persons who may have an interest, including those media that will encourage under represented applicants. In addition to candidate-initiated applications, faculty will be invited to submit nominations; and the search and screening committee will be obligated to identify qualified candidates by encouraging nominations and aggressively pursuing promising nominees. Section 404, Page 2

1.2 Professional Services

Faculty members shall be employed and their professional services and compensation shall be determined in accordance with the following policies. Professional services are, for example, teaching, research, extension, library, professional career and technical education, and related and supporting services, and are described in the role statement.

404.3 APPOINTMENT PROCEDURES, TENURED OR TENURE-ELIGIBLE FACULTY AND FACULTY WITH TERM APPOINTMENTS

The department head or supervisor and the search and screening committee are responsible to ensure that all university regulations pertaining to affirmative action and equal opportunity are adhered to throughout the appointment process.

3.1 The faculty of departments and other academic units, in conjunction with the department head or supervisor, shall determine the need for and general parameters of faculty appointments congruent with its mission and role.

3.2 The department head or supervisor, shall obtain authorization from the provost, through the appropriate academic dean, chancellor, vice president for extension and agriculture, or regional campus dean to establish or fill any appointment on the academic unit's faculty.

3.3 The department head or supervisor shall appoint a search and screening committee of not less than five members. A majority, and, where possible five members, must be appointed from among the faculty of the department or the Library if the search occurs there. In searches for faculty who will reside at campuses other than Logan, the search and screening committee must include faculty representation from the campus where the new faculty member will reside. See policies 401.4.3(4) and 5.3(2) for limitations on appointments of faculty to serve on search and screening committees.

3.4 In consultation with the department head or supervisor, and the faculty of the academic unit and, where appropriate, the academic dean, chancellor, vice president for extension and agriculture, or the regional campus dean, the search and screening committee shall prepare the job description and advertising in accord with university regulations.

3.5 The search and screening committee shall screen applicants according to the job description and identify a suitable pool of candidates to be further considered by the faculty and pertinent administrators. Where feasible, at least three candidates shall be identified.

3.6 Candidates shall be invited to come to the Logan campus and, when appropriate, to the campus location where they will reside, at university expense to be interviewed by the academic unit's faculty and pertinent administrators, to give lectures, and/or to participate in departmental seminars and other appropriate campus activities in order that the candidates shall become better known and evaluated, and to assure that they become acquainted with the institution and the locality of their prospective work and domicile.

3.7 When the investigation of candidates has been completed, the search and screening committee shall solicit recommendations from faculty and pertinent administrators. Utilizing Section 404, Page 5 these recommendations and their own knowledge of the candidates, the search and screening committee members shall present its list of acceptable candidates and all supporting information to the department head or supervisor, ranked in order of preference.

3.8 The department head or supervisor shall forward a recommendation from the list of acceptable candidates recommended by the search and screening committee, including all supporting information, to the academic dean and, where appropriate, the chancellor, or vice president for extension and agriculture.

3.9 The academic dean and, where appropriate, the chancellor, or vice president for extension and agriculture, shall forward to the provost the academic unit's recommendation together with all pertinent and supportive data from the faculty and the department head or supervisor. If the provost is in agreement, the provost, as the president's designee, shall approve the appointment of the candidate.

3.10 Tentative offers can be made to a prospective appointee only with the approval of the provost